

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 30th day of July, 2015 at 3:00 p.m, in the 5<sup>th</sup> Floor Conference Room of the Lake County Administration Center with the following Directors present:

**MALCOLM A. CHAFER  
GABE CICCONE  
LORRAINE M. FENDE  
BLAIR HAMILTON  
BETH A. KNEZEVICH**

**TIMOTHY S. MANROSS  
JUDY MORAN  
DANIEL P. TROY  
ANTHONY J. ZAMPEDRO**

Mac Chafer moved to approve the minutes of the Friday, April 3, 2015 meeting and Anthony Zampedro seconded the motion.

**AYES: ALL**

**NAYS: NONE**

**ASBSTENTION: NONE:**

**LAKE COUNTY LAND REUTILIZATION CORPORATION  
1st QUARTER MEETING  
Friday, April 3, 2015 @ 3:00 p.m.  
5<sup>th</sup> Floor Conference Room  
Lake County Administration Building**

\*\*\*\*\*

- 1. CALL TO ORDER:** Daniel P. Troy, Vice-Chairman called the meeting to order at 3:00 p.m.

**ROLL CALL:** The following were present:

**MALCOLM A. CHAFER  
GABE CICCONE  
LORRAINE M. FENDE  
BLAIR HAMILTON**

**BETH A. KNEZEVICH  
JUDY MORAN  
DANIEL P. TROY  
ANTHONY ZAMPEDRO**

- 2. MOTION TO APPROVE THE MINUTES OF THE DECEMBER 19, 2014 MEETING**

Motion: Chafer

Second: Knezevich

AYES: 7

NAYS: 0

ABSTENTIONS: MORAN

- 3. MOTION TO APPROVE THE FOLLOWING RESOLUTIONS in TOTO, LEVYING LIENS TO RECOVER DEMOLITION RELATED EXPENSES**

**RESOLUTION NO. 2015 – 54**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 15C0250000140 (255 Stage Ave, Painesville City)**

**RESOLUTION NO. 2015 – 55**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 15C028A000410 (276 W Jackson St, Painesville City)**

**RESOLUTION NO. 2015 – 56**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 15D014C000170 (352 Sanford St, Painesville City)**

**RESOLUTION NO. 2015 – 57**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 14A0060000350 (509 Third St, Village of Fairport Harbor)**

**RESOLUTION NO. 2015 – 58**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 34A002G000080 (1659 E 332<sup>nd</sup> St, Eastlake City)**

**RESOLUTION NO. 2015 – 59**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 34A007I000090 (1256 E 348<sup>th</sup> St, Eastlake City)**

**RESOLUTION NO. 2015 – 60**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 01B115C001570 (1492 Hubbard Rd, Madison Twp)**

**RESOLUTION NO. 2015 – 61**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 08A0320000270 (6336 Chestnut St, Concord Twp)**

**RESOLUTION NO. 2015 – 62**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 34A010C000320 (33441 Willowick Dr, Eastlake City)**

**RESOLUTION NO. 2015 – 63**

**A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE**

**Permanent Parcel Number 34A014B000120 (34477 Beach Park Ave, Eastlake City)**

Mr. Rogers reviewed each lien with the Board prior to the Board's voting on the matter.

Motion: Cicconetti

Second: Moran

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

**4. OLD BUSINESS**

**a) FINAL OVERVIEW OF THE MOVING OHIO FORWARD PROGRAM**

Mr. Rogers presented via PowerPoint Presentation the final stages of the MOF Program. John explained that during the demolition of the home located at 2965 Rockefeller Road, an oil tank was punctured resulting in an oil spill. The contractor immediately notified the EPA and implemented clean up measures. After four weeks of treatment and monitoring, approval of all necessary steps was given, from both the City of Willoughby Hills and the EPA. The contractor and LCLRC were released from having to take any additional measures and allowed a conclusion to the on-site work.

**b) MOF DEMOLITION COSTS AND RE-IMBURSEMENTS**

Mr. Rogers provided all board members with a spreadsheet summarizing the funds expended for the MOF program. The grand total spent was \$1,183,291.68. Of that amount \$812,431.00 was obtained from the Attorney General's program. The LCLRC's share spent in this program was \$370,860.68. The average cost of a demolition was \$18,152.30, an amount that was higher than that of the MOF Program statewide. Cost increases were due to insurance requirements, scope

of work to be completed with each demolition and travel costs associated with the disposal of the debris.

Gabe Cicconetti asked why the cost on two of the houses on the list were so high. Mr. Rogers explained that these particular houses were heavily laden with asbestos, making the costs significantly higher.

**c) PAINESVILLE TOWNSHIP SYCAMORE-PONTIAC PARK**

Mr. Rogers distributed a packet of information on the progression of the Township Park project, including the engineer's drawings, details outlining the playground equipment, grills, benches, tables and the pavilion. Because LCLRC is a Government/Not-for-Profit, the Land Bank was able to purchase the park equipment from state suppliers; thus giving us a break on costs. The "probable construction cost" for this project has been modified to a new price of \$155,348.00 from \$155,455.00. Changes included one light pole versus 2 telephone poles. Bid packets on construction of the park is scheduled to be available to contractors in two weeks. The \$27,000 CDBG award money must be spent by August 31, 2015. That date is also the anticipated completion date. Once the park is complete the property will be transferred to the Township who will maintain the park.

Commissioner Troy asked who owned the land identified for the park. Mr. Rogers explained that the property was two of three parcels donated to the LCLRC by the Esterele family.

**d) NIP NEIGHBORHOOD INITIATIVE PROGRAM UPDATE**

The Land Bank was awarded a \$500,000 grant for housing demolitions by Ohio's NIP Program, an offshoot available because of the Hardest Hit Funds (HHF) program. This grant requires a minimum of ten houses, LCLRC ownership of each property, house locations to be in a designated or target area, and have a mortgage attached. Eight of the houses were in foreclosure at the time of application.

Jason Boyd from the County had approached the LCLRC, requesting assistance in demolishing two additional houses. Mr. Rogers suggested and the County agreed that the two properties would be donated to the LCLRC with an understanding per an MOU that when the County was to begin development of the area, the properties would be transferred back to the County. Additionally, it is expected that at least two more similar transfers will occur to further the County's efforts. An MOU executed between the County and the LCLRC stipulates that the LCLRC be responsible for liability insurance during ownership and that the County maintain each parcel.

Based on the \$500,000 grant – Mr. Rogers estimated that the LCLRC could reasonably take down as many as 31 homes. Mr. Rogers expressed his opinion that while the Land Bank will do it's best to use all the available funds, we must realize that the properties must not only be owned by the Land Bank, but fall in the designated target areas, which is a significantly limiting factor. Mr. Rogers reported that the NIP program will run through 2015, 2016 and end sometime in 2017.

## **e) UPDATE LCLRC WEBSITE/DESIGN**

The Land Bank has retained Mr. Scott Zimmer of Zimmer Design, to create our website. Mr. Rogers provided a copy of the site map to explain the basics of how the website will work. He fully expects the site to be up and operational by the end of 2015.

## **f) LAND BANK OWNED PROPERTY OVERVIEW**

Mr. Rogers presented a PowerPoint Presentation reviewing the 53 properties that the LCLRC has acquired. Each slide outlined the location, by community and detailed if the property was vacant or had a structure on it.

John pointed out features on several properties including the 265 N State St commercial building. The Land Bank will be donating desks and office equipment from this abandoned building to help furnish the new title bureau which he understands will be located in the City of Mentor. The N State St property is limited with respect to parking options, limiting interest. The LCLRC is seeking quotations on a roof replacement, which is necessary and will enhance the buildings marketability. It was noted that five of the properties have individuals interested in possibly acquiring them.

Several questions were asked by the Board about the Auditor's property values and why some of them seemed discrepant. Mac Chafer asked what the Land Bank's intension was when selling the vacant lots and how we would plan to establish values. Mr. Rogers responded that when he is satisfied that all liens are cleared and any outstanding expenses are paid, he will notify the interested parties and move forward in disposing of each parcel. He advised that the LCLRC has no control over the values assigned by the County Auditor, and that the LCLRC would seek an independent appraisal before deciding the asking price. At our accountant's direction, those properties acquired by the Land Bank and demolished by the Land Bank will be valued at the demolition cost, until an independent appraisal is conducted.

One of the problems the Land Bank inherited when these properties were first transferred – was whether all properties were truly free of encumbrances. We have judicial order giving us title, but not necessarily clear title. Further review established that the Prosecutor's office (affective November 2013) had begun In Rem foreclosure procedures based on a different subsection of a State of Ohio statute. As a result the Prosecutor's office was not required to name all lienholders as defendants in the litigation, which leaves all other liens in place and not necessarily extinguished.

Realizing the Land Bank now owned properties with encumbrances, title searches are being done to identify all potentially existing lienholders. This, Mr. Rogers explained, is the reason for many of the delays the Land Bank has experienced since January of this year.

Mr. Rogers obtained an IRS decision Revenue Ruling 55-157 from 1955 that states that when a loan is forgiven, the person must report the interest as income on their tax return. Mr. Rogers is looking into the possibility of an entity forgiving a lien as a charitable contribution to the LCLRC and using this as a means to clear some of the liens from the properties we own.

Also, Mr. Rogers informed the Board that as the result of a new ruling by the Ohio Attorney General, the LCLRC MAY HAVE TO PAY A PRO-RATED SHARE OF THE Court expenses proportional to the value of certain items on the tax duplicate. We are waiting for a determination by the Auditor's Office as to the exact calculation of that fee. The Land Bank has budgeted an estimated \$25,500.00 for these costs.

Maintenance costs are expected to be incurred on these properties. It will be necessary to cut lawns and maintain each property until such time as the property is sold. Requests for quotation for this maintenance will be going out very soon as spring is here.

#### **g) LCLRC BUDGET OVERVIEW**

Mr. Rogers presented the budget for 2015. All board members were given a copy of the budget as prepared by Mr. Rogers, who detailed operations to date and what will be expected during the year. The budget calls for revenues approximating 1.8 million dollars and expenses of 1.75 million dollars. The difference is to be used for operational expenses in the first quarter of 2016. All line items were reviewed in detail.

Mr. Zampedro noted the requested increase for Linda Fredebaugh's salary and asked why a \$2,600.00 or 6% increase. Mr. Rogers advised that Ms. Fredebaugh has worked in excess of 230 hours during the last year over and above her weekly schedule, and that she as a salaried employee does not receive overtime. He went on to explain that when hired, she had resigned from a position that included hospitalization and paid a salary of 52K per year. Very much satisfied with her performance, he went on to explain that she has not only done an excellent job but is always willing to put forth any extra effort when needed. In his opinion, based on her performance, the request was a reasonable and well deserved.

Mr. Zampedro asked about an increase in Mr. Rogers' contract. Mr. Rogers noted that he had not included an increase with respect to his contract. After some discussion the board suggested that they review Mr. Rogers' compensation at the next meeting and act accordingly.

#### **THE VICE-CHAIRMAN ENTERTAINED A MOTION TO APPROVE THE 2015 BUDGET.**

Motion: Moran

Second: Hamilton

AYES: ALL

NAYS: NONE

ABSTENTION: NONE

## **2) NEW BUSINESS**

### **a) TAXES AND LIENS CARRIED FORWARD ON LAND BANK PROPERTIES**

Ms. Fende stated that she was told that if the Land Bank did not respond within the 10 day notice time period that all tax liens still existing on the property would be due and payable when the Land Bank took possession. Mr. Rogers responded with text from a letter from the Attorney General on February 11, 2015. It states:

*To receive clear title the Prosecuting Attorney requests the Land Bank interest to acquire said property. The Land Bank can take title after two sales of No Bid, or if 323.78 invoked by the Treasurer as a direct transfer without a sale, upon expiration of 28 days of receipt of notice. Or, refraining from taking the property, but instead allowing the property to be forfeited to the State and then request title to the property.*

Therefore, it is Mr. Rogers' opinion that the Land Bank receive all properties free and clear. He does not have the authority to ask the Attorney General for an opinion. The request must come from a prosecuting attorney or an elected official. Ms. Fende asked that Mr. Rogers write up the request and Ms. Fende would submit the request in her name.

**b) NEW BUSINESS – CONCERN FOR PROPERTY OWNERS FACED WITH DEMOLITIONS - NOT BEING CLEAR ABOUT THE DEMOLITION TAX LIEN RESPONSIBILITY.**

Ms. Fende asked Mr. Rogers if there was a form to be signed that explains the demolition process/lien that will ultimately be placed on their tax bill along with the guidelines for payment. The Treasurer's office has seen several frustrated property owners who were unaware of the exact procedures. Mr. Rogers affirmed that the Land Bank is only the contractor hired by the community to demolish the properties. It is the responsibility of the community to inform the owners of the guidelines. In the case of the Mount Olive Church properties, Rev. Motley received a letter from the City of Painesville advising that any expenses would be certified to his tax duplicate. Mr. Rogers understood that the Reverend had also signed a release form stating the costs of the demolition were to be levied against the Church's properties.

In this case, Mr. Rogers mentioned that a possible solution would be to have the church donate the land to LCLRC, and we in turn would sell the property back to the Church for the cost of the demolition using a minimum monthly payment schedule. Mr. Troy suggested we table this subject due to time constraints until the next meeting.

**c) MOTION TO APPROVE THE FOLLOWING RESOLUTION**

**RESOLUTION NO. 2015 – 64**

**A RESOLUTION CONFIRMING THE APPOINTMENT OF JOHN M. ROGERS AS EXECUTIVE DIRECTOR FOR THE LAKE COUNTY LAND REUTILIZATION CORPORATION, AFFIRMING HIS CONTRACT AND DETERMINING HIS COMPENSATION FOR ONE YEAR 2015**

Motion: Moran

Second: Knezevich

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

**3) SCHEDULED OF FUTURE MEETINGS**

The following dates are posted:

**Second Quarter** – Thursday, June 26, 2015 @ 3:00 p.m.

**Third Quarter** – Friday, September 25, 2015 @ 3:00 p.m.

**Fourth Quarter** – Friday, December 18, 2015 @ 3:00 p.m.

**Annual Meeting** – Friday, March 18, 2016 @ 2:30 p.m.

**First Quarter** – Friday, March 18, 2016 @ 3:00 p.m.

With no further business Vice-Chairman Troy asked for a motion to adjourn.

Motion: Manross

Second: Fende

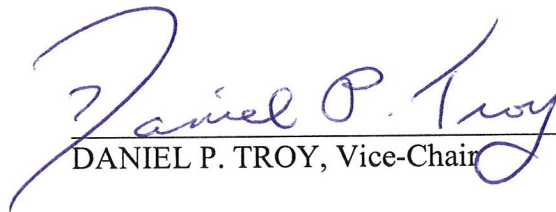
AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

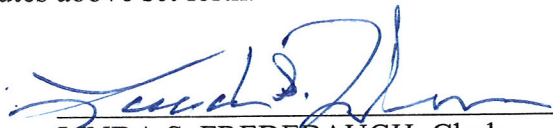
The meeting was adjourned at 4:22 p.m. by unanimous vote.

APPROVED: JULY 30, 2015

  
DANIEL P. TROY, Vice-Chair

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held April 3, 2015, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: JULY 30, 2015

  
LINDA S. FREDEBAUGH, Clerk